

Real-time EVE Stock Exchange

Summary

The real-time exchange allows instant trading without requiring broker intervention.

Accounts

Before trading shares is possible, the trader needs to deposit money or shares into his exchange account. He does this by transferring the money or shares¹ to the stock exchange character, Balogh. The operator then updates the trader's exchange account accordingly.

The exchange will charge a 0.5% fee on deposited money.

Trading

Traders can place buy and sell orders. Unlike EGSE, where transactions happen on existing orders, the real-time exchange looks for matching sell orders when a buy order is placed².

The following would happen behind the scenes when you buy 200 shares from a sell order:

1. A buy order for 200 shares, matching the sell order's price, is created, and the buyers' money balance is deducted.
2. The exchange looks for matching sell orders.
3. Shares are transferred from the sell order to the buyer, and money is transferred from the buy order to the seller.

This method allows for orders to match different prices. If you wanted to buy 1,000 shares priced at 115,000.00 ISK, and sell orders were available at a lower price, those cheaper sell orders would be matched first. See also the 'Order matching' example.

The exchange will not charge a fee on transactions.

Withdrawal

When the trader is finished trading, he can withdraw (a part of) his money and shares from his exchange account. The operator will then transfer the money and shares to the trader's wallet. The trader can cancel the withdrawal request, if the operator hasn't transferred the money and shares yet.

To prevent abuse, a trader can only request one withdrawal per type (money, shares of each company) at the same time.

The exchange will charge a 0.5% fee on withdrawn money.

Dividends

When shares in a traders' exchange account – and those in his active orders – receive dividends, the dividend is semi-automatically³ added to his money balance.

¹ Unfortunately, share transfers are not currently logged in the wallet. To transfer shares, the operator has to be notified before transferring.

² Likewise, when a sell order is placed, the exchange looks for matching buy orders.

The exchange will not charge a fee on received dividends.

Voting

When a shareholder's vote is held, the exchange will use the shares to vote in the shareholders' best interest. All votes performed by the exchange will be logged.

Because of limitations of the voting system, it is not possible to take the votes of every individual shareholder into account.

Interest

A trader will receive 1% interest per month on money in both his active buy orders and his exchange account. This is to prevent ISK in orders from 'sitting idle'.

Interest is applied daily at 12:00. Due to rounding, money totals less than 30.14 ISK will not receive any interest.

Please note that this is a secondary service. The exchange is not a bank. Far more lucrative investments exist. RESX reserves the right to alter the interest rate, or to stop providing interest at all.

Auditing

The exchange supports auditing of its wallet, to ensure the correct amount of money and shares is present. Anyone wanting to audit the exchange wallet can do so by contacting the operator.

Problems

Share transfers

As noted in footnote 1, share transfers are not currently logged.

Because of the nature of this problem, EGSE is also affected by this.

Manual actions

While transactions are performed instantly, deposits and withdrawals are handled manually.

For shareholders, this is a disadvantage, as there is only one operator⁴. Because EGSE has multiple brokers, shareholders wanting to buy or sell can pick any available broker and have faster results. With the real-time exchange, they would have to wait for the operator to be available.

For traders, however, the EGSE model is inefficient. If a trader wanted to adjust his orders' price, he would have to wait for approval of his broker. When a transaction has been completed, he would have to transfer the shares or money back to a broker to place a new order. With the real-time exchange, there are no manual actions needed when the exchange account balance is sufficient.

The 'bus factor'

What if the operator suddenly went missing?

This is a bigger problem with the current setup of the real-time exchange than with EGSE. Because EGSE has multiple brokers, the damage when one disappears is smaller, but the chance one might disappear is larger.

³ The operator has to calculate the amount of dividend received per share. He will then input this data into the exchange, which will adjust each trader's balance accordingly.

⁴ I currently have no plans for more operators.

Examples

Order matching

For share ABC, the following sell orders are present:

- 100 shares at 105,000.00 ISK
- 200 shares at 110,000.00 ISK
- 500 shares at 115,000.00 ISK
- 300 shares at 150,000.00 ISK

The buy order '400 shares at 115,000.00 ISK' is placed. This results in the following:

- 400 shares are transferred to the buyer
- 44,000,000.00 ISK is transferred to the sellers

The following sell orders remain:

- Sell: 400 shares at 115,000.00 ISK
- Sell: 300 shares at 150,000.00 ISK

Change history

This section describes the changes made to this document.

2007-01-01

Interest

- Re-added section.

2006-12-30

Interest

- Section removed. Details can be found at <http://resxblog.nfshost.com/archives/13>. (Re-added, 2007-01-01)

2006-11-14

Voting

- Shares will be used for voting in the shareholders' best interest. (Thanks to Motivated Prophet for discussing this)

2006-11-12

Dividends

- Added 'the exchange will not use shares for voting'. (Replaced, 2006-11-14)

2006-11-04

Interest

- Reduced interest from 2% to 1%. This is to further prevent people using the exchange as a bank.

2006-10-31 – third revision

Interest

- Rewritten the section to make clear the interest is meant mainly for preventing money from 'sitting idle'.

2006-10-31 – second revision

Dividends

- Clarification: dividends will also be issued for shares in active orders.

Interest

- Clarification: interest will also be issued for money in active orders.

2006-10-31

Accounts

- The stock exchange character has been created. Its name, Balogh, has been added to the text.
- Depositing money will be charged a 0.5% fee.

Trading

- Trading will not be charged fees.

Withdrawal

- Added abuse prevention.
- Withdrawing money will be charged a 0.5% fee.

Dividends

- Dividends will not be charged fees.

Interest

- Section added.

Auditing

- Section added.

Other

- Several cosmetic changes to match the style used by EVE.

2006-10-19

- First version.